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By *AT* NARA Date *9/24/97*



DEPARTMENT OF STATE
ACTION MEMORANDUM

S/S

file China
pending

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June 19, 1974

To : The Secretary

From: EA - Arthur W. Hummel, Jr. *AWH*
NSC - Richard Solomon *RS*
S/P - Winston Lord *WL*

Your Meeting with PRCLO Chief Huang Chen
(Time Yet to be Determined)

You did not have a chance for a substantive talk with Huang Chen between your trips to the Middle East, and we think you should do so if at all possible before you leave for the USSR. If you can see him on Monday, June 24, or the following day, it is possible that Huang will have a reply to our proposal on the UN Command in Korea (see below).

You had a brief talk with Huang Chen at the time you addressed the joint session of the private US groups that deal with China, on June 3. Before that, your last private session with him was on April 22. Since April, Winston Lord twice briefed Huang Chen about your Middle East negotiations, and on May 29 he informed the Chinese about the upcoming announcement of the Syrian-Israeli disengagement agreement. On June 13, in accordance with your instructions, Winston Lord conveyed to PRCLO Deputy Chief Han Hsu the details of our proposed solution for the UN Command in Korea and safeguarding the Armistice. The memorandum of May 31 that contains the talking points on Korea is attached at Tab A.

We see four main purposes for your meeting with Huang Chen:

(1) to reiterate the constancy and resolution of US policies and intentions toward China (perhaps raising the possibility of your making a trip to Peking this fall for another round of substantive discussions); we suspect that the Chinese were disturbed by your Salzburg press conference; and reassurances on this issue would also seem in order.

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(2) to brief the Chinese about the Middle East situation, including Soviet attitudes and the Soviet role in the Middle East and where we go from here;

(3) to give the Chinese a preview of the President's and your own upcoming visit to the USSR;

(4) to emphasize to the Chinese that the proposal about the UN Command in Korea that was conveyed to them on June 13 has your personal approval and backing and to urge a speedy and hopefully favorable response.

Background For Your Information

-- We have not had direct complaints (since Chiao talked to David Bruce in January) from the Chinese about Taiwan or about the slow pace of normalization. However, a number of external signs cause us concern. We hope you will review our joint paper to you dated May 24 (attached at Tab B) on actions we might take to show progress toward normalization. We hope you can also give guidance on the basis of Lord's and Hummel's joint memo to you of January 29 (also attached -- Tab C).

-- You will have seen the abrupt rejection by Lin Ping in Peking of our proposal on claims/assets. The aide memoire he delivered contained the phrase: "one can hardly believe that the US side has any sincere desire to settle the claims". You will recall that the word "blackmail" was used in connection with our warnings about possible attachment of their aircraft in March. If you have an opening, it would be appropriate to tell Huang Chen that such language is not accurate; does not contribute to building the friendly relations we desire, and is more characteristic of the Soviets' style than that we have come to expect from the PRC.

-- If they mention their rejection of our claims/assets proposal, you should say that we are disturbed by their response as it goes against the agreement in principle reached during your trip of February 1973, but that we are studying the matter.

-- We note that three recent events could be interpreted as reversals of Chou En-lai's own policies:

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- (a) their demand that we withdraw the Marine Guards;
- (b) their withdrawal of Chou En-lai's offer to refund the \$17 million in connection with the claims/assets settlement and
- (c) (This is more debatable) their evident tightening up on any flexibility regarding terms for normalization that Chou En-lai may have wished to indicate in introducing the term "confirming the principle of one China" in the November, 1973 Communique.

-- We have had three recent signals via CAS channels conveying the message, that the Peking leadership is concerned that you are not able to pay enough attention to China. One of these, a middle-level official who spoke to Jim Lilley at a diplomatic reception in Peking, inquired why you were not planning a trip to Peking in the fall -- virtually inviting a request for another visit.

-- The announcement of our withdrawals of USAF squadrons from Taiwan has been made publicly. The ROC announcement did not specify timing, but we have seen to it that the press is saying that the first squadron will leave "soon" (actually, in July).

-- The PRC's Martial Arts troupe will arrive in the U.S. soon, opening in Honolulu June 21. A demarche was made by Han Hsu to Hummel on June 17, complaining about a proposed ROC performing troupe scheduled to be in New York June 22, because it would overlap with the PRC group. Han went so far as to request that we prevent the ROC troupe from performing in the U.S. at all -- not merely when the PRC troupe is here. US visas for the ROC troupe have not been issued, but have been applied for in Taipei. We have directed our Embassy to press the ROC to prevent the troupe from coming to the U.S. prior to the departure on July 14 of the PRC group. This is the way we resolved a similar case 18 months ago. If the ROC refuses to cooperate, we will have to consider getting a high-level decision to refuse

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the visas on national interest grounds. We still are exploring the legal implications of such a course, which will be difficult at best under existing visa laws. In the previous case, lawyers and entrepreneurs in New York threatened to sue the US Government if the visas were withheld. We will update this item for you before your meeting with Huang Chen, including talking points. In the meantime all we can say to the PRC is that we are carefully reviewing the matter.

-- The press in Taiwan has reported that funds for a new Embassy Chancery in Taipei have been authorized by the US Congress. So far, we have not been asked about this in Washington. If we are, we will reply that this is one of a number of authorized projects about which final decisions have not been made. You may wish to tell Huang Chen that despite press reports, we have no plans to build a new Chancery in Taipei.

-- On the positive side, the State Governors trip went well. Senator Jackson is about to depart for China, and another US Congressional visit to China seems likely in August or September. Chiao Kuan-hua invited Bruce to a private dinner which Bruce was unable to attend because of his plans for leave in Europe; this invitation is likely to be renewed when Bruce returns to Peking July 1. Al Jenkins' departure from Peking was the occasion of a most unusual turnout of PRC officials at the airport to see him off. Your public statement to the US/China groups in Washington on June 3 was widely and positively reported within China by NCNA.

Recommendation:

That you meet with Huang Chen before leaving for the Soviet Union.

Approve _____

Disapprove _____

Attachments:

- Tab A - Talking Points - Korea
- Tab B - May 24 Paper to Secretary
- Tab C - January 29 Memorandum

EA:AWHummel:FMK
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